

R.O. Draft 05/15-2002
Contract No.
Standard Irrigation District Form
SRSC Draft 05/31/02
R.O. Draft 07/11-2002
SRSC Draft 08/16/02
SRSC Draft 10/01/02
SRSC Draft 10/31/02
GCID Draft 02/10/03
(Unshaded provisions have been
tentatively agreed to)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES AND
GLENN-COLUSA IRRIGATION DISTRICT,
DIVERTER OF WATER FROM SACRAMENTO RIVER SOURCES,
SETTLING WATER RIGHTS DISPUTES AND
PROVIDING FOR PROJECT WATER

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THIS CONTRACT, hereinafter referred to as "Settlement Contract," is
entered into by THE UNITED STATES OF AMERICA, hereinafter referred to as the
United States, made this ____ day of _____, 2002, pursuant to the
applicable authority granted to it generally in the Act of June 17, 1902 (32 Stat. 388), and
acts amendatory or supplementary thereto, including, but not limited to, the Acts of
August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat.
1187), as amended and supplemented, including but not limited to Sections 9 and 14
thereto, July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982
(96 Stat. 1262), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the
Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as
Federal Reclamation law, and Glenn-Colusa Irrigation District, hereinafter referred to as

1 the Contractor, a public agency of the State of California, duly organized, existing, and
2 acting pursuant to the laws thereof, with its principal place of business in California;

3 WITNESSETH, that:

4 EXPLANATORY RECITALS

5 [1st] WHEREAS, the United States has constructed and is operating the Central
6 Valley Project, California, for multiple purposes pursuant to its statutory authority; and

7 [2nd] WHEREAS, the Contractor has rights to divert, is diverting, and will
8 continue to divert for reasonable beneficial use, water from the natural flow of the
9 Sacramento River and tributaries thereto, that would have been flowing therein if the

10 Central Valley Project were not in existence and from Stony Creek pursuant to the Angle
11 Decree; and

Deleted: [Contractor Specific – “Other” Rights”]

12 [3rd] WHEREAS, the construction and operation of the integrated and
13 coordinated Central Valley Project has changed and will further change the regimen of
14 the Sacramento, American, San Joaquin, and Trinity Rivers and the Sacramento-San
15 Joaquin Delta from unregulated flow to regulated flow; and

16 [4th] WHEREAS, the United States has rights to divert, is diverting, and will
17 continue to divert waters from said Rivers and said Delta in connection with the operation
18 of said Central Valley Project, and

19 [5th] WHEREAS, the Contractor and the United States had a dispute over the
20 respective rights of the parties to divert and use water from the regulated flow of the
21 Sacramento River which threatened to result in litigation, and as a means to settle that

1 | dispute entered into Contract No. 14-06-200-855A, as amended, hereinafter referred to as
2 | the Existing Contract, which established terms for the delivery to the Contractor of
3 | Central Valley Project Water, and the quantities of Base Supply the United States and the
4 | Contractor agreed may be diverted by the Contractor from the Sacramento River pursuant
5 | to such contract; and

6 | [6th] WHEREAS, the United States and the Contractor disagree with respect to
7 | the authority of the United States to change the quantities of Base Supply and/or Project
8 | Water specified as available for diversion in this Settlement Contract from the quantities
9 | specified in the Existing Contract, and other issues related thereto. That dispute was the
10 | subject of litigation in a lawsuit entitled *Glenn-Colusa Irrigation District, et al. v. United*
11 | *States, et al.* (Civ. No. S-01-1816 GEB/JFM (E.D. Cal.), but that litigation was dismissed,
12 | without prejudice, pursuant to a stipulation of dismissal filed by the parties thereto on
13 | August 29, 2002. Notwithstanding that dismissal, the Contractor and the United States
14 | enter into this Settlement Contract to renew the Existing Contract, pursuant to the terms
15 | of the Existing Contract, Federal Reclamation law, and the laws of the State of California

16 | 7th WHEREAS, to assure the Contractor of the enjoyment and use of the
17 | regulated flow of the said Rivers and the Delta, and to provide for the economical
18 | operation of the Central Valley Project by, and the reimbursement to, the United States
19 | for expenditures made for said Project;

20 | NOW, THEREFORE, in consideration of the performance of the herein
21 | contained provisions, conditions, and covenants, it is agreed as follows:

DEFINITIONS

1
2 1. When used herein, unless otherwise expressed or incompatible with the intent
3 hereof, the term:

4 (a) "Angle Decree" shall mean that certain judgment rendered January 13,
5 1930, by the United States District Court, Northern District of California, Second
6 Division, Honorable Frank H. Kerrigan, Judge, in that certain action in Equity No. 30
7 entitled "The United States of America, Plaintiff, v. H. C. Angle, et al., Defendants".

8 (b) "Base Supply" shall mean the quantity of Surface Water established in
9 Articles 3 and 5 which may be diverted by the Contractor from its Source of Supply each
10 month during the period April through October of each Year without payment to the
11 United States for such quantities diverted;

12 (c) "Basin-Wide Water Management Plan" shall mean the mutually agreeable
13 Sacramento River Basinwide Water Management Plan dated _____ developed by
14 Glenn Colusa Irrigation District, Maxwell Irrigation District, Natomas Central Mutual
15 Water Company, Pelger Mutual Water Company, Princeton-Codora Glenn Irrigation
16 District, Provident Irrigation District, Reclamation District 108, Sutter Mutual Water
17 Company, Anderson-Cottonwood Irrigation District, M&T, Inc., Meridian Farms Water
18 Company, Reclamation District 1004 and the U.S. Bureau of Reclamation.

19 (d) "Charges" shall mean the payments for Project Water that the Contractor
20 is required to pay to the United States in addition to the "Rates" specified in this

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1 Contract. The Contracting Officer will, on an annual basis, determine the extent of these
2 Charges. The type and amount of each Charge shall be specified in Exhibit “D”;

3 | ~~(e) “Contract Total” shall mean the sum of the Base Supply and Project~~
4 Water available for diversion by the Contractor for the period April 1 through
5 October 31;

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6 | ~~(f) “Critical Year” shall mean any Year in which either of the following~~
7 eventualities exists:

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8 (1) The forecasted full natural inflow to Shasta Lake for the current Water
9 Year, as such forecast is made by the United States on or before February 15 and
10 reviewed as frequently thereafter as conditions and information warrant, is equal to or
11 less than 3.2 million acre-feet; or

12 (2) The total accumulated actual deficiencies below 4 million acre-feet in
13 the immediately prior Water Year or series of successive prior Water Years each of
14 which had inflows of less than 4 million acre-feet, together with the forecasted deficiency
15 for the current Water Year, exceed 800,000 acre-feet.

16 For the purpose of determining a Critical Year, the computation of inflow
17 to Shasta Lake shall be performed in a manner that considers the extent of upstream
18 development above Shasta Lake during the year in question, and shall be used as the full
19 natural flow to Shasta Lake. In the event that major construction has occurred or occurs
20 above Shasta Lake after September 1, 1963 and which has materially altered or alters the
21 regimen of the stream systems contributing to Shasta Lake, the computed inflow to

1 Shasta Lake used to define a Critical Year will, be adjusted to eliminate the effect of such
2 material alterations. After consultation with the State of California, the National Weather
3 Service, and other recognized forecasting agencies, the Contracting Officer will select the
4 forecast to be used and will make the details of it available to the Contractor. The same
5 forecasts used by the United States for the operation of the Project shall be used to make
6 the forecasts hereunder;

7 | ~~(g)~~ “CVPIA” shall mean the Central Valley Project Improvement Act,
8 Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

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9 | ~~(h)~~ “Eligible Lands” shall mean all lands to which Project Water may be
10 delivered in accordance with Section 204 of the Reclamation Reform Act of October 12,
11 1982 (96 Stat. 1263), as amended, hereinafter referred to as RRA;

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12 | ~~(i)~~ “Excess Lands” shall mean all lands in excess of the limitations contained
13 in Section 204 of the RRA, other than those lands exempt from acreage limitation under
14 Federal Reclamation law;

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15 | ~~(j)~~ “Full Cost Rate” shall mean that water rate described in Sections 205(a)(3)
16 or 202(3) of the RRA, whichever is applicable;

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17 | ~~(k)~~ “Ineligible Lands” shall mean all lands to which Project Water may not be
18 delivered in accordance with Section 204 of the RRA;

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19 | ~~(l)~~ “Landholder” shall mean a party that directly or indirectly owns or leases
20 nonexempt land, as provided in 43 CFR 426.2;

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1 | (m) "Project" shall mean the Central Valley Project owned by the United
2 | States and managed by the Department of the Interior, Bureau of Reclamation;

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3 | (n) "Project Water" shall mean all Surface Water diverted or scheduled to be
4 | diverted each month during the period April through October of each Year by the
5 | Contractor from its Source of Supply which is in excess of the Base Supply. The United
6 | States recognizes the right of the Contractor to make arrangements for acquisition of
7 | water from projects of others than the United States for delivery through the Sacramento
8 | River and tributaries subject to written agreement between Contractor and the United
9 | States as to identification of such water which water when so identified shall not be
10 | deemed Project Water under this Settlement Contract;

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11 | (o) "Rates" shall mean the payments for Project Water determined annually
12 | by the Contracting Officer in accordance with the then current applicable water
13 | ratesetting policies for the Project, as described in subdivision (a) of Article 8 of this
14 | Settlement Contract;

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15 | (p) "Secretary" or "Contracting Officer" shall mean the Secretary of the
16 | Interior, a duly appointed successor, or an authorized representative acting pursuant to
17 | any authority of the Secretary and through any agency of the Department of the Interior;

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18 | (q) "Source of Supply" shall mean the Sacramento River and Stony Creek,
19 | from which the Contractor has rights to divert, is diverting, and will continue to divert;

20 | (r) "Surface Water" shall mean only those waters that are considered as
21 | surface water under California law;

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1 determination 10 years after the date of execution of this Contract, and every five years
2 thereafter, of whether a conversion to a contract under said subsection 9(d) can be
3 accomplished pursuant to Public Law 643. Notwithstanding any provision of this
4 Settlement Contract, the Contractor reserves and shall have all rights and benefits under
5 Public Law 643.

6 WATER TO BE FURNISHED TO CONTRACTOR

7 3. (a) Subject to the conditions, limitations, and provisions hereinafter expressed,
8 the Contractor is hereby entitled and authorized to divert from its Source of Supply at the
9 locations shown in Exhibit A, for beneficial use within the area delineated on Exhibit B,
10 (both Exhibits are attached hereto and made a part hereof), the Contract Total designated
11 in Exhibit A, or any revision thereof, in accordance with the monthly operating schedule
12 required by Article 3(c) of this Settlement Contract. The quantity of any water diverted
13 under this Settlement Contract from its Source of Supply, during the period April through
14 October, for use on any lands delineated on Exhibit B, by the owner of such lands or
15 otherwise shall constitute a part of the Contract Total as shown on Exhibit A and shall be
16 subject to all the provisions of this Settlement Contract relating to such Contract Total as
17 if such diversion were made by the Contractor.

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18 (b) The Contractor may have acquired rights to divert water from the
19 Sacramento River during the period April through October, that were obtained after the
20 date of execution of the Existing Contract, or the Contractor may acquire such rights in
21 the future. All diversions made from the Sacramento River, pursuant to such rights,

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1 during the period April through October, shall not be considered a part of the quantity of
2 Base Supply and Project Water specified in Exhibit A; Provided, that the quantities
3 diverted pursuant to the above rights shall be identified on the schedule submitted
4 pursuant to Article 3(c) below, and shall not be substituted for any Base Supply or Project
5 Water; Provided, further, that any such identified quantities of other acquired rights may
6 be diverted by the Contractor before incurring any fee pursuant to Article 3(c)(1), below.

7 (c) Before April 1 and before the first day of each month thereafter when a
8 revision is needed, the Contractor shall submit a written schedule to the Contracting
9 Officer indicating the Contract Total to be diverted by the Contractor during each month
10 under this Settlement Contract. The United States shall furnish water to the Contractor in
11 accordance with the monthly operating schedule or any revisions thereof. However, the
12 United States recognizes the need of the Contractor to change from time to time its
13 monthly diversions of water from the quantities shown in Exhibit A; the Contractor may
14 make such changes, provided:

15 (1) that for the quantity of Base Supply diverted in excess of the monthly
16 quantity shown in Exhibit A, and as may be reduced in accordance with Article 5(a),
17 during June, July, August, September and October of any Water Year, the Contractor
18 shall be charged a rescheduling fee equal to 50% of the sum of the storage operations and
19 maintenance rate and the storage capital rate components of the Project ratesetting policy.

20 (2) that in no event shall the total quantity scheduled for diversion by the
21 Contractor from its Source of Supply:

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1 (i) During the period April through October exceed the aggregate of the
2 Contract Total for that period shown in Exhibit A or any revision thereof;

3 (ii) During the period July through September exceed the aggregate of the
4 Contract Total for that period shown in Exhibit A or any revision thereof.

5 (d) In the event conditions warrant, the Contracting Officer reserves the right
6 to require the Contractor to submit, at least 72 hours prior to the beginning of each
7 weekly period, its estimate of daily diversion requirements for each such period from ~~its~~
8 Source of Supply: Provided, however, that changes during any such period may be made
9 upon the giving of 72 hours' notice thereof to the Contracting Officer.

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10 (e) No sale, transfer, exchange, or other disposal of any of the Contract Total
11 designated in Exhibit A or the right to the use thereof for use on land other than that
12 shown on Exhibit B shall be made by the Contractor without first obtaining the written
13 consent of the Contracting Officer. Such consent will not be unreasonably withheld and
14 a decision will be rendered in a timely manner. For short-term actions that will occur
15 within one year or less, the decision will be rendered within 30 days after receipt of a
16 complete written proposal. For long-term actions that will occur in a period longer than
17 one year, the decision will be rendered within 90 days after receipt of a complete written
18 proposal. For a proposal to be deemed complete by the Contracting Officer, it must
19 comply with all provisions required by State and Federal law, including information
20 sufficient to enable the Contracting Officer to comply with the National Environmental
21 Policy Act, the Endangered Species Act, and applicable rules or regulations then in

1 effect; Provided that, such consent does not authorize the use of Federal facilities to
2 facilitate or effectuate the sale, transfer, exchange or other disposal of Base Supply. Such
3 use of Federal facilities will be the subject of a separate agreement to be entered into
4 between the Contractor and Reclamation.

5 (f) For the purpose of determining whether section 3405(a)(1)(M) of the
6 CVPIA applies to the Contractor as a transferor or transferee of Project Water, the
7 Contracting Officer acknowledges that the Contractor is within a county, watershed or
8 other area of origin, as those terms are utilized under California law, of water that
9 constitutes the natural flow of the Sacramento River and its tributaries above the
10 confluence of the American and Sacramento Rivers.

11 (g) Nothing herein contained shall prevent the Contractor from diverting
12 water during the months of November through March for beneficial use on the land
13 shown on Exhibit B or elsewhere to the extent authorized under the laws of the State of
14 California.

15 (h) The United States assumes no responsibility for and neither it nor its
16 officers, agents, or employees shall have any liability for or on account of:

- 17 (1) The quality of water to be diverted by the Contractor;
18 (2) The control, carriage, handling, use, disposal, or distribution of water
19 diverted by the Contractor outside the facilities constructed and then being operated and
20 maintained by or on behalf of the United States;

1 (3) Claims of damage of any nature whatsoever, including but not limited
2 to, property loss or damage, personal injury, or death arising out of or connected with the
3 control, carriage, handling, use, disposal, or distribution of said water outside of the
4 hereinabove referred to facilities; and

5 (4) Any damage whether direct or indirect arising out of or in any manner
6 caused by a shortage of water whether such shortage be on account of errors in operation,
7 drought, or unavoidable causes.

8 RETURN FLOW

9 4. Nothing herein shall be construed as an abandonment or a relinquishment by
10 the United States of any right it may have to the use of waste, seepage, and return flow
11 water derived from water diverted by the Contractor hereunder and which escapes or is
12 discharged beyond the boundaries of the lands shown on Exhibit B; Provided, that this
13 shall not be construed as claiming for the United States any right to such water which is
14 recovered by the Contractor pursuant to California law from either within the boundaries
15 of the lands shown on Exhibit B or at any location in the Colusa Basin Drain north of the
16 south boundary of Section 18, Township 14 North, Range 1 West, M. D. B. & M., and
17 which is being used pursuant to this contract, and which is being used pursuant to this
18 Settlement Contract for surface irrigation or underground storage for the benefit of the
19 lands within said boundaries by the Contractor.

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1 CONSTRAINTS ON THE AVAILABILITY OF WATER

2 5. (a) In a Critical Year, the Contractor's Base Supply and Project Water agreed
3 to be diverted during the period April through October of the Year in which the principal
4 portion of the Critical Year occurs and, each monthly quantity of said period shall be
5 reduced by twenty-five percent.

6 (b) The amount of any overpayment by the Contractor shall, at its option, be
7 refunded or credited upon amounts to become due to the United States from the
8 Contractor under the provisions hereof in the ensuing Year. To the extent of such
9 deficiency such adjustment of overpayment shall constitute the sole remedy of the
10 Contractor.

11 INTEGRATED WATER MANAGEMENT AND PARTNERSHIPS

12 6. The Contractor and United States desire to work together to maximize the
13 reasonable beneficial use of water for their mutual benefit. As a consequence, the United
14 States and the Contractor will work in partnership and with others within the Sacramento
15 Valley, including other Contractors, to facilitate the better integration within the
16 Sacramento Valley of all water supplies including, but not limited to, the better
17 management and integration of surface water and groundwater, the development and
18 better utilization of surface water storage, the effective utilization of waste, seepage and
19 return flow water, and other operational and management options that may be identified
20 | in the future. ▼

Deleted: [Language cross-referencing other related agreement will be added as appropriate to the individual Settlement Contracts.]

1 (1) Prior to July 1 of each Year, the Contracting Officer shall provide the
2 Contractor an estimate of the Charges for Project Water that will be applied to the period
3 October 1, of the current Year, through September 30, of the following Year, and the
4 basis for such estimate. The Contractor shall be allowed not less than two months to
5 review and comment on such estimates. On or before September 15 of each Year, the
6 Contracting Officer shall notify the Contractor in writing of the Charges to be in effect
7 during the period October 1 of the current Year, through September 30, of the following
8 Year, and such notification shall revise Exhibit "D."

9 (2) Prior to October 1 of each Year, the Contracting Officer shall make
10 available to the Contractor an estimate of the Rates for Project Water for the following
11 Year and the computations and cost allocations upon which those Rates are based. The
12 Contractor shall be allowed not less than two months to review and comment on such
13 computations and cost allocations. By December 31 of each Year, the Contracting
14 Officer shall provide the Contractor with the final Rates to be in effect for the upcoming
15 Year, and such notification shall revise Exhibit "D".

16 (c) The Contractor shall pay the United States for Project Water in the
17 following manner:

18 (1) With respect to Rates, prior to May 1 of each Year, the Contractor
19 shall pay the United States one-half the total amount payable pursuant to subdivision (a)
20 of this Article and the remainder shall be paid prior to July 1 or such later date or dates as
21 may be specified by the United States in a written notice to the Contractor: Provided,

1 however, that if at any time during the Year the amount of Project Water diverted by the
2 Contractor shall equal the amount for which payment has been made, the Contractor shall
3 pay for the remaining amount of such water as shown in Exhibit A in advance of any
4 further diversion of Project Water.

5 (2) With respect to Charges, the Contractor shall also make a payment to
6 the United States, in addition to the Rate(s) in subdivision (c)(1) of this Article, at the
7 Charges then in effect, before the end of the month following the month of delivery or
8 transfer. The payments shall be consistent with the quantities of Project Water delivered
9 or transferred. Adjustment for overpayment or underpayment of Charges shall be made
10 through the adjustment of payments due to the United States for Charges for the next
11 month. Any amount to be paid for past due payment of Charges shall be computed
12 pursuant to Article 13 of this Settlement Contract.

13 (d) Payments to be made by the Contractor to the United States under this
14 Settlement Contract may be paid from any revenues available to the Contractor.

15 (1) All revenues received by the United States from the Contractor
16 relating to the delivery of Project Water or the delivery of non-Project water through
17 Project facilities shall be allocated and applied in accordance with Federal Reclamation
18 law and the associated rules or regulations, and the then current Project ratesetting
19 policies for Irrigation Water.

20 (e) The Contracting Officer shall keep its accounts pertaining to the
21 administration of the financial terms and conditions of its long-term water service and

1 Settlement Contracts, in accordance with applicable Federal standards, so as to reflect the
2 application of Project costs and revenues. The Contracting Officer shall, each Year upon
3 request of the Contractor, provide to the Contractor a detailed accounting of all Project
4 and Contractor expense allocations, the disposition of all Project and Contractor
5 revenues, and a summary of all water delivery information. The Contracting Officer and
6 the Contractor shall enter into good faith negotiations to resolve any discrepancies or
7 disputes relating to accountings, reports, or information.

8 (f) The parties acknowledge and agree that the efficient administration of this
9 Settlement Contract is their mutual goal. Recognizing that experience has demonstrated
10 that mechanisms, policies, and procedures used for establishing Rates and Charges and/or
11 for making and allocating payments, other than those set forth in this Article may be in
12 the mutual best interest of the parties, it is expressly agreed that the parties may enter into
13 agreements to modify the mechanisms, policies, and procedures for any of those purposes
14 while this Settlement Contract is in effect without amendment of this Settlement
15 Contract.

16 (g) For the term of this Settlement Contract, Rates under the respective
17 ratesetting policies for the Project will be established to recover only reimbursable
18 operation and maintenance (including any deficits) and capital costs of the Project, as
19 those terms are used in the then-current Project ratesetting policies, and interest, where
20 appropriate, except in instances where a minimum Rate is applicable in accordance with
21 the relevant Project ratesetting policy. Proposed changes of significance in practices

1 which implement the ratesetting policies for the Project will not be implemented until the
2 Contracting Officer has provided the Contractor an opportunity to discuss the nature,
3 need, and impact of the proposed change.

4 (h) Except as provided in subsection 3405(a)(1)(B) of the CVPIA, the Rates
5 for Project Water transferred, exchanged, or otherwise disposed of, by the Contractor
6 shall be the Contractor's Rates adjusted upward or downward to reflect the changed costs
7 of delivery (if any) of the transferred, exchanged, or otherwise disposed of Project Water
8 to the transferee's point of delivery in accordance with the then-current ratesetting
9 policies for the Project. Except as provided in subsection 3407(d)(2)(A) of the CVPIA,
10 the Charges for Project Water transferred, exchanged, or otherwise disposed of, by the
11 Contractor shall be the Contractor's Charges specified in Exhibit D. If the Contractor is
12 receiving lower Rates and Charges because of inability to pay and is transferring,
13 exchanging, or otherwise disposing of Project Water to another entity whose Rates and
14 Charges are not adjusted due to inability to pay, the Rates and Charges for transferred,
15 exchanged, or otherwise disposed of Project Water shall be the Contractor's Rates and
16 Charges unadjusted for ability to pay.

17 (i) Pursuant to the Act of October 27, 1986 (100 Stat. 3050), the Contracting
18 Officer is authorized to adjust determinations of ability to pay every five years.

19 (j) Each payment to be made pursuant to subdivisions (a) and (b) of this
20 Article shall be made at the office of the Bureau of Reclamation, Mid-Pacific Region,
21 File No. 11546, P.O. Box 6000, San Francisco, California, 94160-1546, or at such other

1 place as the United States may designate in a written notice to the said Contractor.
2 Payments shall be made by cash transaction, wire, or any other mechanism as may be
3 agreed to in writing by the Contractor and the Contracting Officer. In event there should
4 be a default in the payment of the amount due, the delinquent payment provisions of
5 Article 13 shall apply. The Contractor shall not be relieved of the whole or any part of its
6 said obligation by, on account of, or notwithstanding, as the case may be:

7 (1) Its failure, refusal, or neglect to divert seventy-five percent of the
8 quantity of Project Water shown on Exhibit A;

9 (2) The default in payment to it by any water user of assessments, tolls, or
10 other charges levied by or owing to said Contractor;

11 (3) Any judicial determination that any assessment, toll, or other charge
12 referred to in subsection 8(c)(2) of this Settlement Contract is irregular, void, or
13 ineffectual; or

14 (4) Any injunctive process enjoining or restraining the Contractor from
15 making or collecting any such assessment, toll, or other charge referred to in
16 subsection 8(c)(2) of this Settlement Contract.

17 AGREEMENT ON WATER QUANTITIES

18 9. (a) During the term of this Settlement Contract and any renewals thereof:

19 (1) It shall constitute full agreement as between the United States and the
20 Contractor as to the quantities of water and the allocation thereof between Base Supply
21 and Project Water which may be diverted by the Contractor from its Source of Supply for

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1 beneficial use on the land shown on Exhibit B which said diversion, use, and allocation
2 shall not be disturbed so long as the Contractor shall fulfill all of its obligations
3 hereunder;

4 (2) Neither party shall claim any right against the other in conflict with
5 the provisions of Article 9(a)(1) hereof.

6 (b) Nothing herein contained is intended to or does limit rights of the Contractor against
7 others than the United States or of the United States against any person other than the
8 Contractor: Provided, however, that in the event the Contractor, the United States, or any
9 other person shall become a party to a general adjudication of rights to the use of water of
10 the Sacramento River system, this Settlement Contract shall not jeopardize the rights or
11 position of either party hereto or of any other person and the rights of all such persons in
12 respect to the use of such water shall be determined in such proceedings the same as if
13 this Settlement Contract had not been entered into, and if final judgment in any such
14 general adjudication shall determine that the rights of the parties hereto are different from
15 the rights as assumed herein, the parties shall negotiate an amendment to give effect to
16 such judgment. In the event the parties are unable to agree on an appropriate amendment
17 they shall, within 60 days of determining that there is an impasse, employ the services of
18 a neutral mediator, experienced in resolving water rights disputes, to assist in resolving
19 the impasse. The cost of the mediation will be shared equally. A failure to reach
20 agreement on an amendment within 60 days of the end of mediation will cause the
21 immediate termination of this Settlement Contract. (c) In the event that the

Deleted: Provided, further, that if the California State Water Resources Control Board or a court of competent jurisdiction issues a decision modifying the terms and conditions of the water rights of either party to this Settlement Contract, the Contractor and the United States shall promptly meet to determine whether or not to modify any of the terms of this Settlement Contract to comply with such final decision. If within 60 days of the date of the issuance of such final decision the parties are not able to reach agreement regarding either the need to modify this Settlement Contract or the manner in which this Settlement Contract is to be modified, the parties shall promptly retain a neutral mediator, experienced in resolving water rights disputes, to assist the parties in resolving their dispute. The cost of the mediator shall be shared equally. In the event that either of the parties to this Settlement Contract determines that the parties will not be able to develop mutually-agreeable modification(s) to this Settlement Contract even with the assistance of a mediator, either of the parties to this Settlement Contract may attempt to resolve the impasse by seeking appropriate judicial relief including, but not limited to filing a general adjudication of the rights to the use of water in the Sacramento River system, or may provide notice to the other party of that party's intent to terminate this Settlement Contract effective the following October 31st, if said notice is given during the period April 1 through August 31, or 60 days from the date the notice is given between September 1 and March 31; Provided, further That the immediately preceding proviso shall not apply if a final decision of the California State Water Resources Control Board or a court of competent jurisdiction requires the United States to continue to implement the State Water Resources Control Board's Revised Water Right Decision 1641, dated March 15, 2000 or its associated 1995 Water Quality Control Plan, as they are currently written. ¶

1 California State Water Resources Board or a court of competent jurisdiction issues a final
2 decision or order modifying the terms and conditions of the water rights of either party to
3 this Settlement Contract in order to impose Bay-Delta water quality obligations, the
4 Contractor and the United States shall promptly meet to determine whether or not to
5 modify any of the terms of this Settlement Contract to comply with the final decision or
6 order. If within 60 days of the date of the issuance of the final decision or order the
7 parties are not able to reach agreement regarding either the need to modify this
8 Settlement Contract or the manner in which this Settlement Contract is to be modified,
9 the parties shall promptly retain a neutral mediator, experienced in resolving water right
10 disputes, to assist the parties in resolving their dispute. The cost of the mediator shall be
11 shared equally. In the event that either of the parties to this Settlement Contract
12 determines that the parties will not be able to develop mutually-agreeable modification(s)
13 to this Settlement Contract even with the assistance of a mediator, either of the parties to
14 this Settlement Contract may attempt to resolve the impasse by seeking appropriate
15 judicial relief including, but not limited to, filing a general adjudication of the rights to
16 the use of water in the Sacramento River system. The foregoing provisions of this sub-
17 article shall only apply to the incremental obligations contained within a final decision or
18 order of the State Water Resources Control Board that reflects a modification to the
19 obligations imposed in State Water Resources Control Board Revised Water Rights
20 Decision 1641 dated March 15, 2000, and its associated 1995 Water Quality Control Plan
21 which, taken together, will be considered the baseline for the application of the

1 provisions of this sub-article. In the event of an adjustment to the Contractor's Base
2 Supply pursuant to this sub-article, the Contracting Officer will not assess any charge for
3 the rescheduling of Base Supply as would otherwise be required under the provisions of
4 Article 3(c) of this Settlement Contract.

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5 (d) In the event this Settlement Contract terminates, the rights of the parties to
6 thereafter divert and use water shall exist as if this Settlement Contract had not been
7 entered into; and the fact that as a compromise settlement of a controversy as to the
8 respective rights of the parties to divert and use water and the yield of such rights during
9 the term hereof, this Settlement Contract places a limit on the Contract Total to be
10 diverted annually by the Contractor during the Settlement Contract term and segregates it
11 into Base Supply and Project Water shall not jeopardize the rights or position of either
12 party with respect to its water rights or the yield thereof at all times after the Settlement
13 Contract terminates. It is further agreed that the Contractor at all times will first use
14 water to the use of which it is entitled by virtue of its own water rights, and neither the
15 provisions of this Settlement Contract, action taken thereunder, nor payments made
16 thereunder to the United States by the Contractor shall be construed as an admission that
17 any part of the water used by the Contractor during the term of this Settlement Contract
18 was in fact water to which it would not have been entitled under water rights owned by it
19 nor shall receipt of payments thereunder by the United States from the Contractor be
20 construed as an admission that any part of the water used by the Contractor during the

1 term of this Settlement Contract was in fact water to which it would have been entitled
2 under water rights owned by it.

3 MEASUREMENT OF WATER

4 10. (a) All water diverted by the Contractor from its Source of Supply will be
5 diverted at the existing point or points of diversion shown on Exhibit A or at such other
6 points as may be mutually agreed upon in writing by the Contracting Officer and the

Deleted: the Sacramento River

7 Contractor: Provided, That in any year the United States reserves the right to require that
8 the Contractor shall divert all of its Contract Total, or any portion thereof, from either the
9 Sacramento River or Stony Creek or from each stream in the quantities specified by the
10 Contracting Officer but only if the quantities so specified to be diverted from Stony
11 Creek are available for such diversion. This proviso shall not be construed to deny the
12 Contractor its right to divert its Contract Total nor the right to divert from the Sacramento
13 River sufficient water to meet its minimum requirements north of Stony Creek. Any time
14 during the period April through October of any year that the Contracting Officer requires
15 the Contractor to take water from the Sacramento River that it would otherwise be
16 entitled to divert from Stony Creek under its rights thereto adjudicated in the Angle
17 Decree, the Contractor authorizes the United States to divert, store, or use such Stony
18 Creek water. The Contractor also authorizes the diversion, storage, or use of Stony Creek
19 water by the United States prior to April 1 of any year to the extent of the Contractor's
20 rights under the Angle Decree. In the event of such diversion, storage, or use prior to
21 April 1, the United States will furnish and the Contractor may divert a quantity of water

1 from the Sacramento River equivalent to the quantity of such Stony Creek water so
2 diverted, stored, or used by the United States. Notwithstanding the other provisions of
3 this subdivision, the Contractor reserves the right to divert water from Stony Creek to the
4 extent of its entitlements under the Angle Decree, for periods not to exceed five (5)
5 consecutive days, whenever its Sacramento River pumps are temporarily unable to meet
6 its diversion requirements because said pumps are partially or wholly inoperable due to
7 an emergency or an unforeseeable cause.

Deleted: Sacramento River

8 (b) All water diverted from the Source of Supply pursuant to this Settlement
9 Contract will be measured or caused to be measured by the United States at each point of
10 diversion with existing equipment or equipment to be installed, operated, and maintained
11 by the United States, and/or others, under contract with and at the option of the United
12 States. The equipment and methods used to make such measurement shall be in
13 accordance with sound engineering practices. Upon request of the Contractor, the
14 accuracy of such measurements will be investigated by the Contracting Officer and any
15 errors appearing therein will be corrected.

16 (c) The right of ingress to and egress from all points of diversion is hereby
17 granted to all authorized employees of the United States. The Contractor also hereby
18 grants to the United States the right to install, operate, maintain and replace such
19 equipment on diversion or carriage facilities at each point of diversion as the Contracting
20 Officer deems necessary.

1 (d) The Contractor shall not modify, alter, remove, or replace diversion
2 facilities or do any other act which would alter the effectiveness or accuracy of the
3 measuring equipment installed by the United States or its representatives unless and until
4 the Contracting Officer has been notified with due diligence and has been given an
5 opportunity to modify such measuring equipment in such manner as may be necessary or
6 appropriate. In the event of an emergency the Contractor shall notify the United States
7 within a reasonable time thereafter as to the existence of the emergency and the nature
8 and extent of such modification, alteration, removal, or replacement of diversion
9 facilities.

10 (e) The Contractor shall pay the United States for the costs to repair, relocate,
11 or replace measurement equipment when the Contractor modifies, alters, removes, or
12 replaces diversion or carriage facilities.

13 (f) Contractor and Contracting Officer shall develop a mutually agreeable
14 surface water delivery water measurement program which shall be implemented by
15 Contractor, and such measurement program shall be consistent with the conservation and
16 efficiency criteria for evaluating water conservation plans as provided in Article 29(a).

17 (g) All new surface water delivery systems installed within the lands
18 delineated on Exhibit B after the effective date of this Contract shall also comply with the
19 measurement provisions described in this Article.

1 RULES AND REGULATIONS

2 11. The parties agree that the delivery of Project Water for irrigation use or use of
3 Federal facilities pursuant to this Settlement Contract is subject to Federal Reclamation
4 law, including but not limited to, the Reclamation Reform Act of 1982 (43 U.S.C.390aa
5 et seq.), as amended and supplemented, and the rules and regulations promulgated by the
6 Secretary of the Interior under Federal Reclamation law.

7 GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

8
9 12. (a) The obligation of the Contractor to pay the United States as provided in
10 this Settlement Contract is a general obligation of the Contractor notwithstanding the
11 manner in which the obligation may be distributed among the Contractor's water users
12 and notwithstanding the default of individual water users in their obligations to the
13 Contractor.

14
15 (b) The payment of Charges becoming due hereunder is a condition precedent
16 to receiving benefits under this Settlement Contract. The United States shall not make
17 water available to the Contractor through Project facilities during any period in which the
18 Contractor may be in arrears in the advance payment of water Rates due the United
19 States. The Contractor shall not furnish water made available pursuant to this Settlement
20 Contract for lands or parties which are in arrears in the advance payment of water rates
21 levied or established by the Contractor.

22
23 (c) With respect to subdivision (b) of this Article, the Contractor shall have
24 no obligation to require advance payment for water Rates which it levies.

25 CHARGES FOR DELINQUENT PAYMENTS

26
27
28 13. (a) The Contractor shall be subject to interest, administrative and penalty
29 charges on delinquent installments or payments. When a payment is not received by the
30 due date, the Contractor shall pay an interest charge for each day the payment is
31 delinquent beyond the due date. When a payment becomes 60 days delinquent, the
32 Contractor shall pay an administrative charge to cover additional costs of billing and
33 processing the delinquent payment. When a payment is delinquent 90 days or more, the
34 Contractor shall pay an additional penalty charge of six percent per year for each day the

1 payment is delinquent beyond the due date. Further, the Contractor shall pay any fees
2 incurred for debt collection services associated with a delinquent payment.
3

4 (b) The interest charge rate shall be the greater of the rate prescribed quarterly
5 in the Federal Register by the Department of the Treasury for application to overdue
6 payments, or the interest rate of one-half of one percent per month prescribed by
7 Section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest
8 charge rate shall be determined as of the due date and remain fixed for the duration of the
9 delinquent period.
10

11 (c) When a partial payment on a delinquent account is received, the amount
12 received shall be applied, first to the penalty, second to the administrative charges, third
13 to the accrued interest, and finally to the overdue payment.
14

15 QUALITY OF WATER

16 14. The operation and maintenance of Project facilities shall be performed in
17 such manner as is practicable to maintain the quality of raw water made available through
18 such facilities at the highest level reasonably attainable as determined by the Contracting
19 Officer. The United States does not warrant the quality of water and is under no
20 obligation to construct or furnish water treatment facilities to maintain or better the
21 quality of water.

22 WATER AND AIR POLLUTION CONTROL

23 15. The Contractor, in carrying out this Settlement Contract, shall comply with
24 all applicable water and air pollution laws and regulations of the United States and the
25 State of California, and shall obtain all required permits or licenses from the appropriate
26 Federal, State, or local authorities.

1 EQUAL OPPORTUNITY

2 16. During the performance of this Settlement Contract, the Contractor agrees as
3 follows:
4

5 (a) The Contractor will not discriminate against any employee or applicant
6 for employment because of race, color, religion, sex, or national origin. The Contractor
7 will take affirmative action to ensure that applicants are employed, and that employees
8 are treated during employment, without regard to their race, color, religion, sex, or
9 national origin. Such action shall include, but not be limited to, the following:
10 Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising;
11 layoff or termination, rates of payment or other forms of compensation; and selection for
12 training, including apprenticeship. The Contractor agrees to post in conspicuous places,
13 available to employees and applicants for employment, notices to be provided by the
14 Contracting Officer setting forth the provisions of this nondiscrimination clause.
15

16 (b) The Contractor will, in all solicitations or advertisements for employees
17 placed by or on behalf of the Contractor, state that all qualified applicants will receive
18 consideration for employment without discrimination because of race, color, religion,
19 sex, or national origin.
20

21 (c) The Contractor will send to each labor union or representative of workers
22 with which it has a collective bargaining agreement or other contract or understanding, a
23 notice, to be provided by the Contracting Officer, advising the said labor union or
24 workers' representative of the Contractor's commitments under Section 202 of Executive
25 Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous
26 places available to employees and applicants for employment.
27

28 (d) The Contractor will comply with all provisions of Executive Order
29 No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant
30 orders of the Secretary of Labor.
31

32 (e) The Contractor will furnish all information and reports required by said
33 amended Executive Order and by the rules, regulations, and orders of the Secretary of
34 Labor, or pursuant thereto, and will permit access to its books, records, and accounts by
35 the Contracting Officer and the Secretary of Labor for purposes of investigation to
36 ascertain compliance with such rules, regulations, and orders.
37

38 (f) In the event of the Contractor's noncompliance with the nondiscrimination
39 clauses of this Settlement Contract or with any of the said rules, regulations, or orders,
40 this Settlement Contract may be canceled, terminated, or suspended, in whole or in part,

1 and the Contractor may be declared ineligible for further Government contracts in
2 accordance with procedures authorized in said amended Executive Order, and such other
3 sanctions may be imposed and remedies invoked as provided in said Executive Order, or
4 by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
5

6 (g) The Contractor will include the provisions of paragraphs (a) through (g)
7 in every subcontract or purchase order unless exempted by the rules, regulations, or
8 orders of the Secretary of Labor issued pursuant to Section 204 of said amended
9 Executive Order, so that such provisions will be binding upon each subcontractor or
10 vendor. The Contractor will take such action with respect to any subcontract or purchase
11 order as may be directed by the Secretary of Labor as a means of enforcing such
12 provisions, including sanctions for noncompliance: Provided, however, that in the event
13 the Contractor becomes involved in, or is threatened with, litigation with a subcontractor
14 or vendor as a result of such direction, the Contractor may request the United States to
15 enter into such litigation to protect the interests of the United States.
16

17 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

Deleted: (For Districts Only)¶

18 |
19 17. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
20 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as
21 amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other
22 applicable civil rights laws, as well as with their respective implementing regulations and
23 guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.
24

25 (b) These statutes require that no person in the United States shall, on the
26 grounds of race, color, national origin, handicap, or age, be excluded from participation
27 in, be denied the benefits of, or be otherwise subjected to discrimination under any
28 program or activity receiving financial assistance from the Bureau of Reclamation. By
29 executing this Settlement Contract, the Contractor agrees to immediately take any
30 measures necessary to implement this obligation, including permitting officials of the
31 United States to inspect premises, programs, and documents.
32

33 (c) The Contractor makes this agreement in consideration of and for the
34 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or
35 other Federal financial assistance extended after the date hereof to the Contractor by the
36 Bureau of Reclamation, including installment payments after such date on account of
37 arrangements for Federal financial assistance which were approved before such date.
38 The Contractor recognizes and agrees that such Federal assistance will be extended in
39 reliance on the representations and agreements made in this Article, and that the United
40 States reserves the right to seek judicial enforcement thereof.
41

1 MINGLING OF CONTRACTOR'S PROJECT AND NON-PROJECT WATER

2 18. (a) Project Water must of necessity be transported by the Contractor to its
3 water users by means of the same works and channels used for the transport of its non-
4 Project Water including Base Supply. Notwithstanding such mingling of water, the
5 provisions of Article 11 hereof shall be applicable only to Project Water, and such
6 mingling of water shall not in any manner subject to the provisions of Article 11 hereof
7 the Contractor's non-Project water including Base Supply.

8 (b) If required in accordance with subdivision (c) of this Article, the
9 Contractor shall install and maintain such measuring equipment and distribution facilities
10 and maintain such records as may be necessary to determine the amounts of water
11 delivered to Excess Lands served by the Contractor. The Contractor shall not within any
12 month deliver to Ineligible Lands water in excess of the non-Project Water, including
13 Base Supply, for that month. The Contracting Officer or authorized representative shall
14 have the right at all reasonable times to inspect such records and measuring equipment.

15 (c) The Contractor will not be considered in violation of the requirement that
16 Project Water be delivered only to Eligible Lands during any month of the irrigation
17 season that the water requirement for beneficial use on Eligible Lands for that month is
18 equal to or in excess of the Project Water for that month as shown on Exhibit A or any
19 revision thereof pursuant to subdivision (c) of Article 3. The water requirement for
20 beneficial use on Eligible Lands will be determined by multiplying:

1 CHANGE OF PLACE OF USE OR ORGANIZATION

2 20. (a) Unless the written consent of the United States is first obtained no change
3 shall be made in the place of water use shown on Exhibit B.

4 (b) While this Settlement Contract is in effect, no change shall be made in the
5 area of the Contractor as shown on its Exhibit B, by inclusion, exclusion, annexation or
6 detachment of lands, by dissolution, consolidation, or merger or otherwise, except upon
7 the Contracting Officer's written consent thereto: Provided, That the Contracting
8 Officer's written consent will not be required for inclusion of the lands identified as the
9 inclusion area on Exhibit B. Such consent will not be unreasonably withheld and a
10 decision will be provided in a timely manner. 

Deleted: [There may need to be Contractor specific language added.]

11 (c) In the event lands are annexed to or detached from the area of the
12 Contractor, as provided herein, the quantity of Project Water to be diverted may be
13 increased or decreased, as may be appropriate, pursuant to a supplemental agreement to
14 be executed in respect thereto.

15 CONSOLIDATION OF CONTRACTING ENTITIES

16
17 21. Consolidation of Contractors may be approved by the Contracting Officer
18 provided: (i) the Contracting Officer approves the form and organization of the resulting
19 entity and the utilization by it of the Contract Total; and (ii) the obligations of the
20 Contractors are assumed by such entity.

21 No such consolidation shall be valid unless and until approved by the Contracting
22 Officer.

1 NOTICES

2 22. Any notice, demand, or request authorized or required by this Settlement
3 Contract shall be deemed to have been given, on behalf of the Contractor, when mailed,
4 postage prepaid, or delivered to the Area Manager, Northern California Area Office,
5 Bureau of Reclamation, 16349 Shasta Dam Blvd., Shasta Lake, California, 96019, and on
6 behalf of the United States, when mailed, postage prepaid, or delivered to the Board of
7 Directors of the Glenn-Colusa Irrigation District, 344 E. Laurel Street, Willows, CA
8 95988. The designation of the addressee or the address may be changed by notice given
9 in the same manner as provided in this Article for other notices.

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10 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

11
12
13 23. (a) The provisions of this Settlement Contract shall apply to and bind the
14 successors and assigns of the parties hereto, but no assignment or transfer of this
15 Settlement Contract or any right or interest therein shall be valid until approved in writing
16 by the Contracting Officer.

17
18 (b) The assignment of any right or interest in this Settlement Contract by
19 either party shall not interfere with the rights or obligations of the other party to this
20 Settlement Contract absent the written concurrence of said other party.

21
22 (c) The Contracting Officer shall not unreasonably condition or withhold his
23 approval of any proposed assignment.

24 OFFICIALS NOT TO BENEFIT

25
26
27 24. (a) No Member of or Delegate to Congress, Resident Commissioner, or
28 official of the Contractor shall benefit from this Settlement Contract other than as a water
29 user or landowner in the same manner as other water users or landowners.

30
31 (b) No officer or member of the governing board of the Contractor shall
32 receive any benefit that may arise by reason of this Settlement Contract other than as a
33 landowner within the Contractor's service area and in the same manner as other
34 landowners within the said service area.

35 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

36
37
38 25. The expenditure or advance of any money or the performance of any
39 obligation of the United States under this Settlement Contract shall be contingent upon
40 appropriation or allotment of funds. Absence of appropriation or allotment of funds shall

1 not relieve the Contractor from any obligations under this Settlement Contract. No
2 liability shall accrue to the United States in case funds are not appropriated or allotted.
3

4 CONFIRMATION OF SETTLEMENT CONTRACT

5 26. The Contractor, after the execution of this Settlement Contract, shall
6 promptly seek to secure a decree of a court of competent jurisdiction of the State of
7 California, if appropriate, confirming the execution of this Settlement Contract. The
8 Contractor shall furnish the United States a certified copy of the final decree, the
9 validation proceedings, and all pertinent supporting records of the court approving and
10 confirming this Settlement Contract, and decreeing and adjudging it to be lawful, valid,
11 and binding on the Contractor. This Settlement Contract shall not be binding on the
12 United States until such final decree has been secured.
13

14
15
16 UNAVOIDABLE GROUNDWATER PERCOLATION

17 27. To the extent applicable, the Contractor shall not be deemed to have delivered
18 Project Water to Excess Lands or Ineligible Lands if such lands are irrigated with
19 groundwater that reaches the underground strata as an unavoidable result of the delivery
20 of Project Water by the Contractor to Eligible Lands.

21 PRIVACY ACT COMPLIANCE

22
23 28. (a) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C.
24 552a) (the Act) and the Department of the Interior rules and regulations under the Act
25 (43 CFR 2.45 et seq.) in maintaining Landholder acreage certification and reporting
26 records, required to be submitted to the Contractor for compliance with Sections 206 and
27 228 of the Reclamation Reform Act of 1982 (96 Stat. 1266), and pursuant to 43 CFR
28 426.18.
29

30 (b) With respect to the application and administration of the criminal penalty
31 provisions of the Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees
32 responsible for maintaining the certification and reporting records referenced in (a) above
33 are considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).
34

1 (c) The Contracting Officer or a designated representative shall provide the
2 Contractor with current copies of the Interior Department Privacy Act regulations and the
3 Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Acreage
4 Limitation--Interior, Reclamation-31) which govern the maintenance, safeguarding, and
5 disclosure of information contained in the Landholder's certification and reporting
6 records.

7
8 (d) The Contracting Officer shall designate a full-time employee of the
9 Bureau of Reclamation to be the System Manager who shall be responsible for making
10 decisions on denials pursuant to 43 CFR 2.61 and 2.64 amendment requests pursuant to
11 43 CFR 2.72. The Contractor is authorized to grant requests by individuals for access to
12 their own records.

13
14 (e) The Contractor shall forward promptly to the System Manager each
15 proposed denial of access under 43 CFR 2.64; and each request for amendment of records
16 filed under 43 CFR 2.71; notify the requester accordingly of such referral; and provide
17 the System Manager with information and records necessary to prepare an appropriate
18 response to the requester. These requirements do not apply to individuals seeking access
19 to their own certification and reporting forms filed with the Contractor pursuant to 43
20 CFR 426.18, unless the requester elects to cite the Privacy Act as a basis for the request.

21
22
23 WATER CONSERVATION

24 29. (a) Prior to the diversion of Project Water, the Contractor shall be
25 implementing an effective water conservation and efficiency program based on the
26 Basin-Wide Water Management Plan and/or Contractor's water conservation plan that
27 has been determined by the Contracting Officer to meet the conservation and efficiency
28 criteria for evaluating water conservation plans established under Federal law. The water
29 conservation and efficiency program shall contain definite water conservation objectives,
30 appropriate economically feasible water conservation measures, and time schedules for
31 meeting those objectives. Continued diversion of Project Water pursuant to this
32 Settlement Contract shall be contingent upon the Contractor's continued implementation

1 of such water conservation program. In the event the Contractor's water conservation
2 plan or any revised water conservation plan completed pursuant to subdivision (c) of
3 Article 29 of this Settlement Contract have not yet been determined by the Contracting
4 Officer to meet such criteria, due to circumstances which the Contracting Officer
5 determines are beyond the control of the Contractor, Project Water deliveries shall be
6 made under this Settlement Contract so long as the Contractor diligently works with the
7 Contracting Officer to obtain such determination at the earliest practicable date, and
8 thereafter the Contractor immediately begins implementing its water conservation and
9 efficiency program in accordance with the time schedules therein.

10 (b) The Contractor shall submit to the Contracting Officer a report on the
11 status of its implementation of the water conservation plan on the reporting dates
12 specified in the then existing conservation and efficiency criteria established under
13 Federal law.

14 (c) At five (5)-year intervals, the Contractor shall revise its water
15 conservation plan to reflect the then current conservation and efficiency criteria for
16 evaluating water conservation plans established under Federal law and submit such
17 revised water management plan to the Contracting Officer for review and evaluation.
18 The Contracting Officer will then determine if the water conservation plan meets
19 Reclamation's then current conservation and efficiency criteria for evaluating water
20 conservation plans established under Federal law.

1 (d) If the Contractor is engaged in direct ground-water recharge, such activity
2 shall be described in the Contractor's water conservation plan.

3 (e) In order to provide incentives for water conservation, the Contracting
4 Officer may reduce the amount of Project Water for which payment by the Contractor is
5 required under Article 8(a) in accordance with the provisions of this Article 29(e).

6 (1) On or before February 15 of any Water Year, the Contractor may file
7 with Reclamation an offer to reduce Project Water use, hereinafter referred to as Offer.
8 The Offer shall specify the maximum quantity of Project Water to be diverted by the
9 Contractor for each month that Project Water is available for that Water Year under this
10 Settlement Contract. The Contracting Officer shall provide the Contractor with a
11 decision, in writing, to the Offer on or before March 15 of that Water Year. The dates
12 specified in this Article 29 (e)(1) can be changed if mutually agreed to, in writing, by the
13 Contractor and Contracting Officer.

14 (2) If Reclamation accepts the Offer, the Contractor's payment obligation
15 under Article 8(a)(1) shall be reduced to the maximum quantity of Project Water to be
16 diverted by the Contractor as specified in the Offer. The Contractor shall not divert
17 Project Water in excess of the monthly quantities set forth in the Offer: Provided,
18 however, if the Contractor's diversions of Project Water exceed the monthly quantities
19 set forth in the Offer, the Contractor shall pay to Reclamation the applicable Rates and
20 Charges plus a penalty assessment equal to the applicable Rates and Charges, unadjusted

1 for ability to pay, for each acre-foot of Project Water diverted in excess of the quantities
2 set forth in the Offer.

3 (3) If Reclamation decides not to accept the Offer, the Contractor's
4 payment obligation will remain as specified in Article 8(a)(1).

5 (4) The provisions of this Article 29(e) shall be in addition to and shall
6 not affect the provisions of Article 3(e) pertaining to the sale, transfer, exchange or other
7 disposal of the Contract Total designated in Exhibit A.

8 OPINIONS AND DETERMINATIONS

9
10 30. (a) Where the terms of this Settlement Contract provide for actions to be
11 based upon the opinion or determination of either party to this Settlement Contract, said
12 terms shall not be construed as permitting such action to be predicated upon arbitrary,
13 capricious, or unreasonable opinions or determinations. Both parties, notwithstanding
14 any other provisions of this Settlement Contract, expressly reserve the right to seek relief
15 from and appropriate adjustment for any such arbitrary, capricious, or unreasonable
16 opinion or determination. Each opinion or determination by either party shall be
17 provided in a timely manner. Nothing in subdivision (a) of Article 30 of this Settlement
18 Contract is intended to or shall affect or alter the standard of judicial review applicable
19 under federal law to any opinion or determination implementing a specific provision of
20 federal law embodied in statute or regulation.

21 (b) The Contracting Officer shall have the right to make determinations
22 necessary to administer this Settlement Contract that are consistent with the provisions of

1 this Settlement Contract, the laws of the United States and of the State of California, and
2 the rules and regulations promulgated by the Secretary of the Interior. Such
3 determinations shall be made in consultation with the Contractor to the extent reasonably
4 practicable.

5 (c) In the event that the United States, as a result of litigation or agreement, or
6 failure to require an agreement, gives substantially more favorable treatment to any other
7 diverter from the Sacramento River under similar circumstances than that accorded under
8 this Settlement Contract to the Contractor, the United States agrees to renegotiate this
9 Settlement Contract to provide comparable treatment to the Contractor hereunder.

10 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

11 31. (a) In addition to all other payments to be made by the Contractor pursuant to
12 this Settlement Contract, the Contractor shall pay to the United States, within 60 days
13 after receipt of a bill and detailed statement submitted by the Contracting Officer to the
14 Contractor for such specific items of direct cost incurred by the United States for work
15 requested by the Contractor associated with this Settlement Contract plus indirect costs in
16 accordance with applicable Bureau of Reclamation policies and procedures. All such
17 amounts referred to in this Article shall not exceed the amount agreed to in writing in
18 advance by the Contractor. This Article shall not apply to costs for routine contract
19 administration.

20 (b) All advances for miscellaneous costs incurred for work requested by the
21 Contractor pursuant to Article 30 of this Settlement Contract shall be adjusted to reflect

1 the actual costs when the work has been completed. If the advances exceed the actual
2 costs incurred, the difference will be refunded to the Contractor. If the actual costs
3 exceed the Contractor's advances, the Contractor will be billed for the additional costs
4 pursuant to Article 31 of this Settlement Contract.

5 WAIVER OF DEFAULT

6 32. The waiver by either party to this Settlement Contract as to any default shall
7 not be construed as a waiver of any other default or as authority of the other party to
8 continue such default or to make, do, or perform, or not to make, do, or perform, as the
9 case may be, any act or thing which would constitute a default.

10 IN WITNESS WHEREOF, the parties hereto have executed this Settlement
11 Contract as of the day and year first hereinabove written.

12 THE UNITED STATES OF AMERICA

13
14
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16
17 By: _____
18 Regional Director, Mid-Pacific Region
19 Bureau of Reclamation

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21
22 (SEAL)

23
24
25 (Contractor)

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28 By: _____
29 President

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32 ATTEST:

R.O. Draft 05/15-2002
SRSC Draft 05/31/02
R.O. Draft 07/11-2002
SRSC Draft 08/16/02
SRSC Draft 10/01/02
SRSC Draft 10/31/02
GCID Draft 02/10/03

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Secretary

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2002 Water Rates and Charges for Contract No. ##-##-###-#####
Contractor Name - Sacramento River

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Per Acre-Foot

COST OF SERVICE RATES:

Capital Rates \$4.24

O&M Rates:

Water Marketing \$5.66
 Storage \$4.87

Deficit Rates:

Interest Bearing \$3.34

TOTAL \$18.11

FULL-COST RATES:

Section 202(3) Rate is applicable to a
 Qualified Recipient or to a Limited
 Recipient receiving irrigation water
 on or before October 1, 1981. \$22.12

Section 205(a)(3) Rate is
 applicable to a Limited Recipient that
 did not receive irrigation water on or
 before October 1, 1981. \$24.47

**CHARGES UNDER P.L. 102-575 TO THE
 RESTORATION FUND 1/**

Restoration Payments (3407(d)(2)(A)) \$7.54

R.O. Draft 05/15-2002
SRSC Draft 05/31/02
R.O. Draft 07/11-2002
SRSC Draft 08/16/02
SRSC Draft 10/01/02
SRSC Draft 10/31/02
GCID Draft 02/10/03

1 *1/ Restoration fund charges are payments in addition to the water rates and were*
2 *determined pursuant to Title XXXIV of Public Law 102-575. Restoration fund charges*
3 *are on a fiscal year basis (10/1 - 9/30).*